



SECURITY AGREEMENT
(General — Including Equipment)

DIRECT LOAN

Section 1. Dr. Alfred H. Kasmeyer

(Name)

4325 /S.W. Charming Way

(No. and Street)

Portland, Oregon

(City or Town)

Oregon

(hereinafter called the debtor), for a valuable consideration, receipt whereof hereby is acknowledged, hereby grants to **The Oregon Bank, Citizens Branch** (hereinafter called the secured party), whose address is 400 Fourth Street, Lake Oswego, Ore.

together with all accessories, substitutions, additions, replacements, parts and accessions affixed to or used in connection therewith, as well as the products and proceeds thereof (all hereinafter called "the Collateral").

One (1) new, coiled, 20,000 gallon, class DOT 111A100w-1 tankcar, equipped with 100-ton roller bearing trucks, manufactured by General American Transportation Corporation, at Sharon, Pennsylvania, in September 1971 initialed and numbered RTIX 2314

to secure payment of the debtor's debt to the secured party as evidenced hereby and by debtor's note of even date herewith payable to the secured party in the amount of \$17,500 payable on the terms, at the times and with interest as set forth in said note; (delete remainder of this sentence if not applicable) also to secure any and all other liabilities, direct and indirect, absolute or contingent, now existing or hereafter arising from the debtor to the secured party. Said note and said liabilities hereinafter collectively are called "the obligations." Debtor agrees to pay said note and obligations and if any portion thereof, principal or interest, is not paid when due and such default continues for more than 10 days, debtor agrees to pay, in addition to the foregoing, the reasonable collection costs of the secured party plus reasonable attorney's fees.

Section 2. The debtor hereby warrants and covenants that:

2.1 The Collateral is bought or used primarily for debtor's personal, family or household purposes, farming operations, business; and if any part of the Collateral is being acquired, in whole or in part, with the proceeds of the said note, the secured party may disburse directly to the seller of the Collateral.

2.2 At all times, the collateral will be kept at _____

(Number and Street)

(City or Town)

in _____, Oregon, and shall not be removed from such location (or if equipment from such county) in whole or in part, until such time as written consent to a change of location is obtained by debtor from the secured party.

2.3 If the collateral is bought or used primarily for business use (other than debtor's farming operations), the debtor's principal place of business in Oregon is located at the place shown at the beginning of this agreement; debtor also has places of business in the following other Oregon counties:

none

; if debtor has no place of business in Oregon but resides therein, the county in which debtor resides is Multnomah County in said state.

2.4 If debtor is a corporation, it is organized and existing under the laws of the State of _____, its principal office and place of business is located at _____ and its principal office and place of business in Oregon is located at the place shown at the beginning of this agreement.

Section 3. Special Terms and Conditions:

2.5 If the Collateral is or is to become attached to real estate, a description of the real estate is:

in _____ County, Oregon and if the Collateral is attached to real estate prior to the perfection of the security interest granted hereby, the debtor will on the demand of the secured party furnish the latter with disclaimers or subordination agreements in form suitable to the secured party, signed by all persons having an interest in said real estate or any interest in the Collateral which is prior to the secured party's interest.

2.6 If any motor vehicles are included in the above described Collateral, the secured party's security interest is to be noted on each certificate of title and each of said certificates shall then be deposited with and kept by the secured party.

5435

RECORDATION NO. _____ Filed & Recorded

SEP 27 1971 -4 PM

INTERSTATE COMMERCE COMMISSION

This agreement is subject to the additional provisions set forth on the reverse hereof, the same being incorporated herein by reference. The debtor acknowledges receipt of a complete executed copy of this agreement.

(Secured party need sign only if agreement is to be used as a financing statement.)

Executed and delivered in duplicate on 9/15/71, 19_____.

THE OREGON BANK
(Secured Party)

By John H. Boenig

Alfred H. Kasmeyer
Mavis A. Kasmeyer
(Signature of Debtor)

NOTE: This form not suitable in connection with Dealer retail installment sales of motor vehicles or as a Dealer retail installment contract on sales of consumer goods. It is not to be used for loans secured by inventory or crops or livestock.

Section 7. Remedies of Secured Party:
7.1. Upon debtor's default, secured party shall have each and all of the rights and remedies granted to him by the Uniform Commercial Code of Oregon, by the said statute and by this agreement, to the same extent to both parties. The debtor agrees to pay the secured party which is reasonable compensation to the secured party for sole and other expenses incurred by the debtor in re-taking, holding, preparing fees and legal and other expenses of this agreement contrary to the law of the state having jurisdiction over the debtor or to the law of Oregon.

Section 6. Defaults:
6.1. Time is of the essence hereof. The debtor shall be in default under this agreement upon the happening of any of the following events:
(a) Debtor's failure to pay, when due, the principal or interest on said note or obligations;
(b) Debtor's failure to keep, observe or perform any provision of this agreement or any other agreement between him and the secured party;
(c) The disclosure of any misrepresentation made or breached by the debtor to the secured party, whether or not in connection with this agreement;
(d) Loss, theft or destruction of substantially damaged to any of the Collateral;

Section 5. Agreements:
5.1. All of the benefits of this agreement shall be binding upon the debtor, his legal representatives, successors and assigns.
5.2. All of the interests and assets of the debtor or a guardian or co-maker of this agreement, the obligor of each and all shall be deemed to have wavered and agreed to the terms herein and the obligations hereunder shall inure to the secured party and severally to any other party of this agreement unless the waiver is in writing signed by the secured party. No delay in exercising secured party's rights shall be construed as a waiver of any other agreement or provision of this agreement, unless the waiver is in writing signed by the other party or given orally.

Section 4. Miscellaneous:
4.1. No financing statement covering any of the Collateral described on the reverse side of this document need file in any office in any state having jurisdiction over the debtor or to the law of the state having jurisdiction over the debtor, or to the law of Oregon. Any part of this agreement contrary to the law of this state, having jurisdiction over the debtor, or to the law of Oregon, shall not invalidate other parts of this agreement, provided that the law of this state having jurisdiction over the debtor or to the law of Oregon, or any other law of this state, having jurisdiction over the debtor, shall not be deemed to have wavered and agreed to the terms hereof, or to the law of Oregon, or any other law of this state, having jurisdiction over the debtor, or to the law of Oregon, unless the waiver is in writing signed by the debtor, his legal representatives, successors and assigns.

Section 3. General Provisions:
3.1. The note which this agreement secures is a separate instrument and may be negotiated, extended or renewed by the secured party without releasing the debtor, the

Collateral or any guarantor or co-maker.

3.2. The notes which this agreement secures are secondarily liable for the obligations, or part thereof.

3.3. The notes which this agreement secures are separate instruments and may be released, exchanged or released by the secured party without releasing the debtor, the

Collateral and/or addition to or release of any party

or person primarily or secondarily liable for the obligations, or part thereof.

3.4. Debtor hereby consents to any extension of time of payment and to any sub-

sequent interest in the Collateral, all of debtor's expenses

ever may be necessary under applicable law to perfect and continue the secured party's

right to the debtor's collateral until paid in executing, filing and doing what

has not been made.

3.5. The secured party shall be liable to the debtor as if such assignment

comes into being after acquisition of the secured party. However, notwithstanding

claims to have or hereafter acquired against the debtor now has or

rights hereunder, debtor will not assert any claim, known or unknown, which interferes with or otherwise affects the secured party's right to the debtor's collateral or his

business or residence address and in the location where the Collateral is kept.

3.6. The debtor agrees to notify the secured party promptly in writing of any change

in his business or residence address and to notify the secured party within ten days of any change

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